

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
Alexandria Division**

Intersections Inc. and Net Enforcers, Inc.,

Plaintiffs,

v.

Joseph C. Loomis and Jenni M. Loomis,

Defendants.

Civil Action No. 1:09CV597 (LMB/TCB)

STATUS REPORT

Plaintiffs Intersections Inc. (“Intersections”) and Net Enforcers, Inc. (“NEI,” and, together with Intersections, “Plaintiffs”) filed suit against Defendants Joseph C. Loomis (“Joe Loomis”) and his sister, Jenni M. Loomis (“Jenni Loomis”), on May 27, 2009. Discovery concluded on or about December 11, 2009 and trial was set to begin on March 1, 2010. On January 14, 2010, Plaintiffs, Joe Loomis, and Jenni Loomis participated in a settlement conference before United States Magistrate Judge Theresa Carroll Buchanan. The parties now dispute whether an enforceable settlement was reached that day. Plaintiffs contend that an enforceable settlement was reached. Joe Loomis disputes that a settlement was reached and contends that even if a settlement was reached it was unenforceable. Jenni Loomis contends that Joe Loomis’s bankruptcy filing is a material change in circumstances that she was not aware of and that she was not counseled on at the time when both she and her brother were represented by the same counsel, who was allowed to withdraw shortly thereafter on presumably conflict of interest grounds, and further, that the documents previously drafted purporting to memorialize the agreement do not address this contingency, and leave her vulnerable to the inequitable position in the event Joe Loomis is able to discharge the debt in bankruptcy.

On January 26, 2010, Joe Loomis filed for Chapter 11 bankruptcy protection in the U.S. Bankruptcy Court for the District of Arizona (the “Bankruptcy Court”). That same day, he filed a notice of bankruptcy with this Court. The Court thus issued an Order staying this action as to Joe Loomis on January 26, 2010. On or about February 18, 2010, Plaintiffs moved in the Bankruptcy Court for an Order granting limited relief from the automatic stay imposed by 11 U.S.C. § 362 to permit Plaintiffs to continue to prosecute this action in this Court against Joe Loomis for the limited purpose of seeking a declaration as to the enforceability of the settlement reached before Magistrate Judge Buchanan. As a result, and upon the Plaintiffs’ motion, on February 19, 2010, the Court stayed this action as to Jenni Loomis for 90 days in anticipation of the decision of the Bankruptcy Court. On April 26, 2010, the Bankruptcy Court issued an Order granting relief from the automatic stay to permit this action to go forward as to Joe Loomis for the limited purpose of determining the enforceability of the settlement. A copy of the Order of the Bankruptcy Court is attached as Exhibit 1.

Accordingly, the parties request that the Court lift the stay that was imposed as to Jenni Loomis, so that Plaintiffs may move for an Order seeking a declaration as to the enforceability of the settlement as to Joe Loomis and, concurrently, an order seeking to enforce the settlement as to Jenni Loomis (the “Motion”).¹

The parties also respectfully request that the Court schedule a telephonic status conference so that the Court may address:

- A briefing schedule on the Motion;
- The scheduling of an evidentiary hearing on the Motion; and

¹ If the Court were to enter an Order declaring the settlement enforceable as to Joe Loomis, Plaintiffs and Joe Loomis would return to the Bankruptcy Court to enforce the settlement through the proper bankruptcy procedure.

- o Any other issues the Court deems appropriate, including Joe Loomis' request for discovery concerning the enforceability of the settlement.

Counsel for Joe Loomis and Jenni Loomis have reviewed this Status Report prior to its filing, and are in agreement with its contents.

Dated: May 7, 2010

Respectfully submitted,

By: _____ /s/

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CERTIFICATE OF SERVICE

I hereby certify that on the 7th day of May, 2010, I caused the foregoing Status Report to be electronically filed with the Clerk of the Court using the CM/ECF system, which will then send a notification of such filing (NEF) to the following:

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